

2001 DRAFTING REQUEST**Senate Amendment (SA-SB203)**Received: **12/18/2001**Received By: **rmarchan**Wanted: **Soon**

Identical to LRB:

For: **Joanne Huelsman (608) 266-2635**By/Representing: **ron sklansky (LCS)**This file may be shown to any legislator: **NO**Drafter: **rmarchan**

May Contact:

Addl. Drafters:

Subject: **Fin. Inst. - UCC**Extra Copies: **PJD**Submit via email: **YES**Requester's email: **Sen.Huelsman@legis.state.wi.us**Carbon copy (CC:) to: **ron.sklansky@legis.state.wi.us**
robert.marchant@legis.state.wi.us

Pre Topic:

No specific pre topic given

Topic:

SA (definitional corrections) to SB-203 (letters of credit)

Instructions:

See Attached.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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			01/03/2002 _____		01/03/2002	01/03/2002	

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1/?	rmarchan	1 cjs 1/3/02	 1-3-2	_____	_____	_____	_____

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State of Wisconsin
2001 - 2002 LEGISLATURE

LRBa1013/1

RJM:f:...

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RJM

DLTE

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO 2001 SENATE BILL 203

Inserts

delete "Chapter 405 of the statutes is" and
Substitute "405.101 to 405.117 of the
statutes are".

1 At the locations indicated, amend the bill as follows:

FIX
COMPONENT

2 1. Page 7, line 10: after "statutes" insert "except 405.118 of the statutes, as
3 created by 2001 Wisconsin Act 10,".

4 2. Page 22, line 19: after that line insert:

affected

5 "SECTION 4p. 409.102 (1) (bcm), (btm), (mcm), (mkm), (odm) and (ptm) of the
6 statutes, as created by 2001 Wisconsin Act 10, are repealed.

7 SECTION 4r. 409.102 (1) (a), (am), (fm), (km), (m) and (n) of the statutes are
8 created to read:

9 409.102 (1) (a)

10 3. Page 22, line 20: delete the material beginning with that line and ending
11 with page 24, line 24 and substitute:

9#. Page 7, line 11: delete lines 11 to 13.

1 "SECTION 14d. 409.107 of the statutes, as created by 2001 Wisconsin Act 10,
2 is amended to read:

3 **409.107 Control of letter-of-credit right.** A secured party has control of
4 a letter-of-credit right to the extent of any right to payment or performance by the
5 issuer or any nominated person if the issuer or nominated person has consented to
6 an assignment of proceeds of the letter of credit under ~~ch. 405 s. 405.114 (3)~~ or
7 otherwise applicable law or practice.

History: 2001 a. 10.

8 **SECTION 14f. 409.109 (3) (d)** of the statutes, as created by 2001 Wisconsin Act
9 10, is amended to read:

10 **409.109 (3) (d)** The rights of a transferee beneficiary or nominated person
11 under a letter of credit are independent and superior under ~~ch. 405 s. 405.114.~~

History: 2001 a. 10.

12 **SECTION 14h. 409.306 (2)** of the statutes, as created by 2001 Wisconsin Act 10,
13 is amended to read:

14 **409.306 (2) ISSUER'S OR NOMINATED PERSON'S JURISDICTION.** For purposes of this
15 subchapter, an issuer's jurisdiction or nominated person's jurisdiction is the
16 jurisdiction whose law governs the liability of the issuer or nominated person with
17 respect to the letter-of-credit right as provided in ~~ch. 405 s. 405.116.~~

History: 2001 a. 10.

18 (END)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBa1013/?dn

RJM:/:....

js

Senator Huelsman:

The attached amendment makes various corrections to SB-203 that were necessitated by 2001 Wisconsin Act 10. ✓ I have provided a copy of the amendment to Ron Sklansky of the legislative council staff. Please feel free to call if you have any questions.

Robert J. Marchant
Legislative Attorney
Phone: (608) 261-4454
E-mail: robert.marchant@legis.state.wi.us

I INCLUDED THESE DEFINITIONS FROM 99-1444/P1, WHICH IS THE REVISED UCC ARTICLE 5-LETTERS OF CREDIT, IN REVISED UCC ARTICLE 9. REVISED ARTICLE 9 (IN S. 409.102 (2)) CROSS REFERENCES THESE DEFINITIONS, BUT WISCONSIN HAS YET TO ENACT REVISED ARTICLE V (CH. 405, WIS STATS.). IF REVISED ARTICLE 5 IS ENACTED AFTER REVISED ARTICLE 9, IT NEEDS TO REPEAL THESE AND INSTEAD REINSERT THEM IN S. 409.102 (2) OF REVISED ARTICLE 9. IF REVISED ARTICLE 9 IS ENACTED SECOND, IT NEEDS TO BE AMENDED TO DO THE SAME. I ALSO CHANGED SEVERAL CROSS REFERENCES TO SECTIONS IN CH. 405 OVER TO REFERENCES TO THE CHAPTER. THESE CHANGES ALSO NEED TO BE REVERSED IN REVISED CH. 405 IF IT IS ENACTED SECOND.

Section 1. 409.102 (1) (bcm), (btm), (mcm), (mkm), (odm) and (ptm) of the statutes, as created by 1999 Wisconsin Act ... (99-1446/P11), are repealed.

409.102 Definitions and index of definitions. (1) CHAPTER 409 DEFINITIONS. In this chapter:

(2) DEFINITIONS IN OTHER CHAPTERS. The following definitions in other chapters apply to this chapter:

Section 2. 409.102 (1) (a), (am), (fm), (km), (m) and (n) of the statutes are created to read:

2000 Spec. Sess.
1999 - 2000 Legislature

LRB-1446/P11
PJD.....
SECTION 2

ENGROSSED BILL

~~409.102(1)(a)~~ "Applicant" Δ ^{m dash} Δ ^e s. 405.102.

(am) "Beneficiary" Δ ^{m dash} Δ ^e s. 405.102.

(fm) "Issuer" (with respect to a letter of credit or letter-of-credit right) Δ ^{m dash} Δ s. 405.102.

(km) "Letter of credit" Δ ^{m dash} Δ ^e s. 405.102.

(m) "Nominated person" Δ ^{m dash} Δ ^e s. 405.102.

(n) "Proceeds of a letter of credit" Δ ^{m dash} Δ ^e s. 405.114. ² ³

Section 3. 409.107 of the statutes, as created by 1999 Wisconsin Act (99-1446/P11), is amended to read:

409.107 Control of letter-of-credit right. A secured party has control of a letter-of-credit right to the extent of any right to payment or performance by the issuer or any nominated person if the issuer or nominated person has consented to an assignment of proceeds of the letter of credit under ch. 405 s. 405.114 (3) or otherwise applicable law or practice.

Section 4. 409.109 (3) (d) of the statutes, as created by 1999 Wisconsin Act (99-1446/P11), is amended to read:

409.109 Scope.

(3) EXTENT TO WHICH CHAPTER DOES NOT APPLY. This chapter does not apply to the extent that:

(d) The rights of a transferee beneficiary or nominated person under a letter of credit are independent and superior under ch. 405 s. 405.114.

2000 Spec. Sess.

1999 - 2000 Legislature

LRB-1446/P11

PJD.....

SECTION 5

ENGROSSED BILL

Section 5. 409.306 of the statutes, as created by 1999 Wisconsin Act (99-1446/P11), is amended to read:

409.306 Law governing perfection and priority of security interests in letter-of-credit rights.

(2) **ISSUER'S OR NOMINATED PERSON'S JURISDICTION.** For purposes of this subchapter, an issuer's jurisdiction or nominated person's jurisdiction is the jurisdiction whose law governs the liability of the issuer or nominated person with respect to the letter-of-credit right as provided in ~~ch. 405~~ s. 405.116.

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBa1013/1dn
RJM:cjs:rs

January 3, 2002

Senator Huelsman:

The attached amendment makes various corrections to SB-203 that were necessitated by 2001 Wisconsin Act 10. I have provided a copy of the amendment to Ron Sklansky of the legislative council staff. Please feel free to call if you have any questions.

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